

E2m US GRANTS, LOANS FOR COMMUNITY ENTERPRISES

Stories by Teetee Zwane

LOCAL entrepreneurs with viable community projects or social enterprises can benefit to the value of E2 million in loans or grants offered by the United States African Development Foundation (USADF).

The Foundation, whose local partner and Fund manager is the Regional Excellence and Development Initiative (REDI), has dispersed over E13 million in loans and grants to local enterprises since it came to Swaziland in 2006.

REDI Chief Executive Officer Dr Sikhomba Gumbi said the consultancy company runs an outreach programme on behalf of the Fund, where it promotes it to project groups in communities.

Profit

He said once a community or group already in business was identified, even these do not generate any profit, but were properly registered and can present a viable project they'd been doing in the past 24 months, REDI assisted them in applying for a loan or grant. "Since 2006, over E13 million has been given to various businesses in Swaziland," said Gumbi.

He said the Foundation give out loans or grants under two categories; the Enterprise Development Investment (EDI), which focuses on capacity building, offering loans up to a maximum of approximately E782 000 (\$100 000) and the Enterprise Expansion Investment (EEI), which focuses on profitability, offering loans up to a maximum of about E1 955 000 (\$250 000).

Gumbi explained that the EEI was for businesses that already have capacity but wish to expand.

He said for instance, a group of dairy farmers that already has everything it needs



REDI Chief Executive Officer Dr Sikhomba Gumbi. (Pic: Teetee Zwane)

to operate but not in a position to meet market demand, could apply for this grant.

He said business enterprises could also access both grants by first applying for the

capacity building grant, after which they may apply for the other or make additional requests as long as they were able to justify these.

USADF-funded enterprises exporting to US, UK

SO far, all the projects funded by the United States African Development Foundation (USADF) have been a huge success.

Regional Excellence and Development Initiative (REDI) Chief Executive Officer Dr Sikhomba Gumbi said so far, all the projects they were managing were running on schedule and on target, with some having even expanded. "Some businesses are now exporting to the United States

and Europe. Their products even have quality certification," he said.

Gumbi said the Fund was different from others in that it has a contractual obligation, target setting, requires regular reporting and monitoring, offers technical assistance, training and project ownership with a longer life.

"We have accountants, agricultural experts and others so as to help where necessary and we also provide training

through various organisations such as Salile Consultancy, Lulote and many others," he said.

"Also, the system works such that the misuse of funds is eliminated.

Benefits

"It also has a lot of community benefits, with our grant recipients helping out in their communities.

"For instance, one of our recipients has turned one hectare out of 10-hectares for

production of vegetables for orphans and vulnerable children in their area."

The CEO explained that the Foundation issues loans or grants from about E800 000 up to E2 million to big groups.

He said REDI had a commitment to assist groups for two years under the Enterprise Development Investment while for the Enterprise Expansion Investment it has a commitment to offer five years of technical assistance.